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FM SECSTATE WASHDC  
TO ALL DIPLOMATIC POSTS COLLECTIVE IMMEDIATE  
RUEATRS/TREASURY DEPT WASHINGTON DC IMMEDIATE 9920

UNCLAS SECTION 01 OF 02 STATE 114408

SENSITIVE  
SIPDIS

E.O. 12958: N/A

TAGS: [KNNP](#) [MNUC](#) [IR](#) [GM](#) [PREL](#) [PARM](#) [EFIN](#)

SUBJECT: DESIGNATION OF ADDITIONAL IRANIAN ENTITIES AND  
INDIVIDUALS UNDER E.O. 13382

¶1. (SBU) This is an action request. Please see  
paragraphs three, five, and six.

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SUMMARY  
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¶2. (SBU) The United States designated the Export Development Bank of Iran (EDBI) and three affiliated entities under E.O. 13382 ("Blocking the Property of Weapons of Mass Destruction Proliferators and their Supporters") on October 22, 2008. These designations are consistent with obligations in UN Security Council Resolutions (UNSCRs) 1737, 1747 and 1803, which require Member States to freeze the assets of entities and individuals designated by the UN Security Council as being involved in Iran's nuclear or missile programs, and freeze the assets of entities acting on their behalf or at their direction. These designations are also consistent with obligations in Paragraph 10 of UNSCR 1803, which calls upon all Member States to exercise vigilance over the activities of financial institutions in their territories with all banks domiciled in Iran, in particular with Bank Melli and Bank Saderat, and their branches and subsidiaries abroad, in order to avoid such activities contributing to proliferation sensitive nuclear activities, or to the development of nuclear weapon delivery systems, as referred to in resolution 1737 (2006). The Financial Action Task Force, the world's premier standard-setting body for countering illicit financial transactions, on October 17, 2008, issued guidance on implementation of the financial provisions of UNSCR 1803, which can be found at [www.fatf-gafi.org/dataoecd/47/41/41529339.pdf](http://www.fatf-gafi.org/dataoecd/47/41/41529339.pdf).

¶3. (SBU) The Export Development Bank of Iran provides financial services to multiple subordinate entities of Iran's Ministry of Defense and Armed Forces Logistics (MODAFL) that permit these entities to advance Iran's WMD programs. EDBI has facilitated the ongoing procurement activities of various front companies associated with MODAFL-subordinate entities. Also designated were three additional entities which were found to be owned or controlled by or acting or purporting to act for or on behalf of the EDBI. These entities are: the EDBI Stock Brokerage Company and the EDBI Exchange Company, both located in Iran, and Banco Internacional de Desarrollo, CA, a financial institution located in Venezuela. These designations highlight the dangers of doing business with Iranian financial institutions, and provide information that will help financial institutions in the U.S. and worldwide protect themselves from deceptive financial practices employed by Iranian entities like the EDBI that engage in or support proliferation.

For GERMANY only:

(SBU) Europaisch-Iranische Handelsbank AG (EIH), a

German bank, has been one of the key financial institutions that the EDBI uses to facilitate this activity in Europe.

¶4. (SBU) We want to convey to host governments that any entity in their jurisdiction found to be conducting business with EDBI and its affiliates and any other designated entities, or any entity that is owned or controlled by, or acting for or on behalf of EDBI and its affiliates, may be subject to designation under E.O. 13382.

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OBJECTIVES/ACTION REQUEST  
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¶5. (SBU) Posts are requested to pursue the following objectives. In doing so, Posts may draw from the press statement released by the State Department on October 22, 2008, which can be found at [www.state.gov/r/pa/prs/ps/2008/oct/111150.htm](http://www.state.gov/r/pa/prs/ps/2008/oct/111150.htm) ; the press statement released by the Treasury Department, which can be found at [www.treasury.gov/press/releases/hp1231.htm](http://www.treasury.gov/press/releases/hp1231.htm); and paragraphs 2-4 above. Press statements may be passed to host government officials.

-- Inform host government officials of the U.S. designations under E.O. 13382 of the Export Development

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Bank of Iran (EDBI), and its affiliates: the EDBI Stock Brokerage Company and the EDBI Exchange Company, both located in Iran; and Banco Internacional de Desarrollo, CA, a financial institution located in Venezuela.

-- Notify host government officials that these designations are aimed at implementing USG obligations under UNSCRs 1737, 1747 and 1803.

-- Urge host governments, in accordance with obligations under UNSCRs 1737, 1747 and 1803, and consistent with national laws and regulations, to freeze the assets of these entities if they have not already done so, as well as the assets of persons or entities acting on their behalf or at their direction, or by entities owned or controlled by them.

-- Note that firms in the jurisdiction of host governments risk designation under E.O. 13382 if they act or purport to act for or on behalf of, directly or indirectly, EDBI and its affiliates, or any other E.O. 13382 designated entity, and/or if they provide, or attempt to provide, financial, material, technological, or other support for, or goods or services in support of any designated entity.

-- Remind host governments that on October 17, 2008, Financial Action Task Force recently issued guidance on Paragraph 10 of UNSCR 1803, which calls upon all Member States to exercise vigilance over the activities of financial institutions in their territories with all banks domiciled in Iran, in particular with Bank Melli and Bank Saderat, and their branches and subsidiaries abroad. The link to the guidance can be found at [www.fatf-gafi.org/dataoecd/47/41/41529339.pdf](http://www.fatf-gafi.org/dataoecd/47/41/41529339.pdf) .

For Germany Only:

-- Urge Germany to consider the heightened risk posed by EIH's relationship with EDBI and take immediate steps to address that risk.

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REPORTING DEADLINE  
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¶6. (U) Please report delivery of the demarche and any

response within seven days of receipt of this cable.  
Please slug replies for ISN, T, TREASURY, and NEA/IR.  
Please use SIPDIS caption on all responses.

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POINT OF CONTACT  
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¶17. (U) Washington point of contact for follow-up information is Kevin McGeehan, ISN/CPI, (202) 647-5408, McGeehanKJ@state.sgov.gov.

¶18. (U) Department thanks Post for its assistance.  
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